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3 October 1964

**MEMORANDUM FOR THE RECORD****SUBJECT: Contracting for CORONA**

1. On 23 July, DCI, in memorandum to D/NRO, pointed out that insufficient funds had been provided Program B to continue procurement of CORONA payloads in FY 65. He stated that this action appeared to prejudge a decision that the CORONA program would be transferred in toto to Program A.

2. On 14 August, D/NRO replied to DCI, "At the present time, funds have been released to Program B to cover current needs of all contracts in force. We are in the process of asking Director, Program B, to negotiate the follow-on contract for procurement of CORONA payloads."

(NOTE: The "contracts presently in force" D/NRO refers to are CIA contracts with Lockheed which terminate in September and October 1964.)

3. On 26 August at the NRO Ex Com meeting, I pointed out that if CIA was going to continue to contract for CORONA payload, funds must be made available now. There was general discussion of the contributions of CIA to CORONA but no decisions were taken. On 28 August, I informed Mr. Vance in letter referring to the 26 August meeting, "There was no discussion of nor did Mr. McCone agree to any other changes in, contracting procedures and particularly as to any change in the responsibility for payload contracting." In letter of same date, Mr. Vance pointed out his belief that all contracting responsibility for CORONA payloads should be under General Greer and implied that we (Ex Com, NRO) had agreed that this was feasible and should be done, or at least tried.

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4. On 1 September at NRO Ex Com meeting attended by DCI and DDCI, there was lengthy and involved discussion of CORONA contracting. Mr. Vance said he was prepared to continue the CORONA contracting procedure as presently established if this was Mr. McCone's firm desire. Mr. McCone stated that it was, and it was therefore agreed that the contracting responsibilities remain as currently assigned.

5. On 10 September, Mr. McCone briefed the Ex Com, NRO, on his plans to augment [ ] CIA and take over responsibility for all CIA contracting and other functions. There was no discussion of or dissent to CIA contracting for CORONA.

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(NOTE: Upon reading the Minutes of this meeting, Mr. McCone stated that he wished to review the memorandum I was to furnish the Ex Com reference [ ]

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6. On 29 September, the Ex Com meeting, Mr. Vance reopened the entire business of CORONA contracting and the meeting was quite vituperative on the part of McMillan. After lengthy inconclusive discussion in which no commitments were made, McMillan stated he had sent both Vance and me a memorandum of exactly what the contracts he was talking about encompassed.

7. On 1 October, the memorandum from McMillan makes it clear that the CORONA contracting he wants to transfer to the Air Force includes the Systems Integration contract at Lockheed (formerly known as Systems Engineering [ ]).

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8. On 2 October, Secretary Vance called me about these contracts and I reiterated the positions previously taken by me and Mr. McCone, to wit: The contracts previously and presently held by the CIA should remain with the CIA and we would augment our staff [ ] to administer them as previously agreed.

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Marshall S. Carter  
Lieutenant General, USA  
Deputy Director

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